

Certificates of Resale are valid if they contain the information set forth in 86 Ill. Adm. Code 130.1405. (This is a GIL).

December 27, 1999

Dear Xxxxx:

This letter is in response to your letter dated September 13, 1999. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120(b) and (c), enclosed.

In your letter, you have stated and made inquiry as follows:

Annually, in the United States, COMPANY and (BUSINESS d.b.a. COMPANY) purchases over \$23 billion of merchandise that it resells to its members. Almost every state in which we operate has either a sales tax or gross receipts tax. In order to substantiate the wholesale treatment of our purchases we are required to issue our vendors resale certificates.

Attached is the current packet of resale information that we send our vendors. The packet is designed to contain all the information required by the states in which we operate. From a substantive perspective we believe the packet conveys all the information any state requires. We are readily identified as the purchaser, we have noted the nature of our business, what we buy and sell and where we conduct our selling operations. While the form of the packet is unique, its content provides substantial detail on the entity represented.

One of our goals in designing the packet was to minimize having to ask management to repeatedly process inherently the same information. Accordingly, by referencing both the signature sections and identification of the seller to the first and second pages of the packet, we address and sign each packet only once. This raises one primary question. ***If your audit staff finds a resale packet similar to the one attached during the course of an audit of one vendor, will the state accept the packet as a valid resale certificate?***

Please provide us written confirmation about whether the attached packet is acceptable to your state. If you do not believe the attached is acceptable, please provide specific reasons why the packet is unacceptable. Do not send us a copy of your regulations as we have the regulations from which we did the research on resale certificates.

While the form of the packet is unique, we believe the content of the packet should be given strong consideration as meeting statutory intent.

If you should have any questions, please call me at ####.

When persons or businesses purchase tangible personal property from vendors that they will resell to purchasers, they may purchase such items tax-free by providing their vendors with properly executed Certificates of Resale. Certificates of Resale are valid if they contain the information set forth in 86 Ill. Adm. Code 130.1405. See also the enclosed Form CRT-61, Certificate of Resale. Sellers may accept blanket Certificates of Resale from purchasers if all or a percentage of a purchaser's purchases are for resale. Likewise, blanket Certificates of Resale are valid if they conform to the requirements of Section 130.1405. If such persons or businesses fail to provide Certificates of Resale, the sales are presumed to not be for resale and sellers would incur Retailers' Occupation Tax and be required to charge the corresponding Use Tax to purchasers.

If a document contains all of the information that is required by the regulation, the seller may accept it to evidence that a particular transaction is a nontaxable sale for resale. The packet your letter describes appears to comply with the Department's regulation.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of the enclosed copy of Section 1200.110(b).

Very truly yours,

Gina Roccaforte
Associate Counsel

GR:msk
Enc.